

Integrating Social Media

Is your company using social media strategically?



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The August 2011 CMO Survey reported that companies are increasing spend on social media activities from current levels of 7.1 percent of marketing budget to 10.1 percent over the next year, and 17.5 percent in the next five years.

Unfortunately, marketers also reported that they have a long way to go toward integrating social media with their companies' strategies. On a scale of 1-7, with one being "not integrated at all" and seven being "very integrated," almost one-fourth of marketers (22.3 percent) selected "one" to describe how well their company's social media is integrated with their firm's overall strategy (the average was 3.4).

The number was only slightly better for social media integration within marketing strategy: 16.9 percent selected "one" for this question (the average was 4.0). These numbers are lowest among B-to-B product companies (2.8 for overall strategy and 3.6 for marketing strategy) and highest among B-to-C product companies (3.9 for overall strategy and 4.4 for marketing strategy).

When social media is not integrated with the firm's strategy, the effectiveness and efficiency of social

media will suffer. The social media integration report card in Figure 1 offers an assessment tool to diagnose the extent to which your company has integrated social media into its strategy. The questions highlight 14 behaviors that I believe a company engages in when its social media strategy is integrated. Underlying many of these criteria is whether or not social media is a part of key strategic activities in your company. This can range from integrating social media with customer management, brand management and innovation management, to monitoring information flows within the company and the financial accountability of social media.

If this is what the integration of social media with strategy looks like, let's now address the all-important question of how to manage for integration. Cohesive action around any aspect of company policy that involves customers tends to exhibit several characteristics. Let me highlight 10 key characteristics that I believe apply to social media.

1. Gain top management support. Get the biggest gun from management to support social media. You need a champion to get people from

across the organization to pay attention and act.

2. Do not confine social media to its own separate department. I would put it in marketing or another key customer-facing group. Social media is a dynamic marketing function and not an IT function.

3. Offer social media training to all employees so they can begin to “see” linkages.

4. Assign social media personnel to key strategic teams doing cross-functional work, such as new product or new service development and new market development and customer acquisition.

5. Do not outsource social media completely to a strategic partner. Outside agencies may have expertise, but you also need a dedicated social media liaison and some social media activities internally. This will enable relevant information to flow both in and out of the organization through

your own social media personnel and ensure that managers working for the company are always weighing in on social media activities.

6. Put in place a system of accountability that demonstrates the effect of social media on valued intermediate outcomes (e.g., buzz) and financial performance outcomes (e.g., revenues). The choice of metrics should be influenced by whether social media is doing a push or pull job for your company.

7. Use social media tools to collect customer information that is important to different areas of the firm, such as innovation, customer service, etc.

8. Utilize social media metaphors to challenge the thinking of the company. To kick start a new business, GE CMO Beth Comstock asked the company: “What if my aircraft engine had a Facebook page?”

9. Develop formal (e.g., strategy

steps) and informal (e.g., eat lunch together) routines that ensure social media personnel talk to and listen to the rest of the company.

10. Have social media and marketing personnel report to the same person.

Integrating social media into a company’s strategy is a process that involves careful thinking about maximizing the impact of social media on the firm’s most important activities: customers, brands and innovation. Like any organizational change, this process will require changes in how employees think, interact and solve problems. It may involve new organizational structures and information exchange activities. If spending on social media is any indication of the promise of the returns associated with ensuring these integration actions are successful, companies are likely to be pleased with the outcomes of their efforts. **MM**

FIGURE 1: A Social Media Integration Report Card

CUSTOMER MANAGEMENT STRATEGY	<ul style="list-style-type: none"> • Target customers: Is your social media focused on your company’s target customer? • Most valuable customers: Is social media designed to engage with your firm’s most valuable customers? • Customer acquisition: Does social media help your company acquire new customers? • Customer retention: Does social media help your company retain and grow existing customers?
BRAND MANAGEMENT STRATEGY	<ul style="list-style-type: none"> • Brand consistency across social media platforms: Does your company use a consistent image and benefits across social media platforms? • Brand consistency across social media and other marketing/sales activities: Does your company use a consistent image and benefits across social media and other marketing/sales activities?
INNOVATION MANAGEMENT STRATEGY	<ul style="list-style-type: none"> • Drive innovation: Is social media a driving force for innovation and growth in your company? • Leveraged innovation: Is information about customers’ social media activities important to your company’s innovation strategy?
INFORMATION MANAGEMENT	<ul style="list-style-type: none"> • Single view of customers: Does your company integrate information about a customer’s social media activities with other customer information (e.g., purchase behaviors, demographic and/or geographic information)? • Insights out: Are insights communicated from social media people to the rest of your company on a regular basis? • Insights in: Are insights communicated from the rest of your company to social media people on a regular basis?
ORGANIZATION MANAGEMENT	<ul style="list-style-type: none"> • Part of strategic planning: Are social media strategies discussed as a part of your firm’s strategic planning process? • Linked to valued company outcomes: Is social media evaluated on financial criteria of strategic importance to your firm? • Leadership: Does the social media group report to the same internal leader as marketing or to marketing itself?